UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
2900 Crystal Drive
Arlington, Virginia 22202-3513

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Opposition No. 115,866
Cancellation Nos. 28,126; 28,127; 28,130; 28,133; 28,145; 28,155; 28,171; 28,174; 28,199; 28,248; 28,280; 28,294; 28,314; 28,319; 28,325; 28,342 and 28,379

Prairie Island Indian Community, Plaintiff

v.

Treasure Island Corporation, Defendant

Before Seeherman, Bottorff and Rogers, Administrative Trademark Judges.

By the Board:

The following motions are addressed herein by the Board: (1) defendant's motion (filed April 25, 2001, in Cancellation No. 28,126) to compel discovery; (2) plaintiff's motion (filed July 10, 2001, in Opposition No. 115,866) to consolidate the above-referenced opposition and cancellation proceedings or, in the alternative, to suspend the opposition proceeding pending the outcome of Cancellation No. 28,126; (3) plaintiff's motion (filed July 11, 2001, in Opposition No. 115,866) to compel discovery and

(4) defendant's motion (filed October 2, 2001 in Cancellation No. 28,126) for discovery sanctions.

The parties have briefed the motions and, in order to expedite decision thereon, the Board presumes familiarity with the issues presented and does not provide a complete recitation of the allegations and contentions of each party.

Opposition No. 115,866 Consolidated With Cancellation No. 28,126 (and Previously Consolidated Cancellation Proceedings) For Purposes of Trial And Submission of Trial Briefs Only

We turn first to plaintiff's motion to consolidate Opposition No. 115,866 with Cancellation No. 28,126 [which had been previously consolidated with Cancellation Nos. 28,127; 28,130; 28,133; 28,145; 28,155; 28,171; 28,174; 28,199; 28,248; 28,280; 28,294; 28,314; 28,319; 28,325; 28,342 and 28,379]. The Board has reviewed the claims and defenses in the subject opposition and cancellation proceedings. Because the parties are the same and the proceedings involve common questions of law or fact, and in the interest of judicial economy, plaintiff's motion is approved to the extent that Opposition No. 115,866 and Cancellation Nos. 28,126; 28,127; 28,130; 28,133; 28,145; 28,155; 28,171; 28,174; 28,199; 28,248; 28,280; 28,294; 28,314; 28,319; 28,325; 28,342 and 28,379 are hereby **consolidated solely for purposes of taking testimony and**

submission of main briefs,[1] and may be presented on the same record and briefs. See Fed. R. Civ. P. 42(a).

Discovery had closed in Opposition No. 115,866 as of April 25, 2001, when defendant filed its motion to compel in the consolidated cancellation proceedings, but remained open in the consolidated cancellations. Therefore, the Board will limit any future discovery served by either party to that which is relevant to the cancellation proceedings. As set forth below, proceedings herein are resumed and the deadline for discovery (effective solely for the cancellation proceedings) is reset. The rescheduled testimony dates are applicable to the opposition and cancellation proceedings as consolidated.[2]

Plaintiff's Motion (filed July 11, 2001) to Compel Discovery

The Board now turns to plaintiff's motion (filed July 11, 2001) to compel discovery in Opposition No. 115,866. Specifically, plaintiff seeks an order compelling defendant to fully respond to Interrogatory Nos. 2 and 4, and Requests for Production of Documents 1, 2, 8, 9, and 10, including the disclosure of information otherwise protected by the

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[1] The Board file for Opposition No. 115,866 will be maintained as the "parent" case, but all papers filed herein must include the proceeding numbers of the consolidated cases, beginning with the opposition proceeding number, and listing the cancellation cases in ascending numerical order.

[2] Plaintiff's motion, filed in the alternative, to suspend the opposition proceeding pending the outcome of Cancellation No. 28,126, is denied.

attorney-client privilege. Essentially, plaintiff argues that defendant, by pleading the affirmative defenses of laches, acquiescence and estoppel, has waived the attorney-client privilege, in part, regarding information and documents "that reflect on its decision to adopt and use the mark TREASURE ISLAND and that, heretofore, have been withheld…."

In its opposition to plaintiff's motion to compel, defendant argues that there is no waiver of any attorney-client privilege because it has not "put advice of counsel at issue and does not propose to affirmatively rely on advice of counsel at trial." Indeed, our review of the record does not reveal any attempt by defendant to utilize communications between it and counsel to demonstrate or support its pleading of the affirmative defenses.

As the court in *Frontier Refining Inc. et al v. Gorman-Rupp Company, Inc.*, 136 F.3d 695 (10th Cir. 1998) noted, there are three general approaches utilized to determine whether a party has waived the attorney-client privilege as a result of asserting a claim, counterclaim or affirmative defense. The Court described them in the following manner:

> The first of these general approaches is the "automatic waiver" rule, which provides that a litigant automatically waives the privilege upon assertion of a claim, counterclaim, or affirmative defense that raises as an issue a matter to which otherwise privileged material is relevant. See *Independent Prods. Corp. v. Loew's Inc., 22 F.R.D. 266, 276-77 (S.D.N.Y. 1958)* (originating "automatic waiver" rule); see also *FDIC v.*

> *Wise, 139 F.R.D. 168, 170-71 (D. Colo. 1991)* (discussing *Independent Productions* and "automatic waiver" rule). The second set of generalized approaches provides that the privilege is waived only when the material to be discovered is both relevant to the issues raised in the case and either vital or necessary to the opposing party's defense of the case. See *Black Panther Party v. Smith, 213 U.S. App. D.C. 67, 661 F.2d 1243, 1266-68 (D.C. Cir. 1981)* (balancing need for discovery with importance of privilege), vacated without opinion, *458 U.S. 1118 (1982); Hearn v. Rhay, 68 F.R.D. 574, 581 (E.D. Wash. 1975)* (setting forth three-factor test, which includes relevance and vitality prongs). Finally, several courts have recently concluded that a litigant waives the attorney-client privilege if, and only if, the litigant directly puts the attorney's advice at issue in the litigation. See, e.g., *Rhone-Poulenc Rorer Inc. v. Home Indem. Co, 32 F.3d 851, 863-64 (3d Cir. 1994)* (adopting restrictive test and criticizing more liberal views of waiver).
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> *Id.* at 699-700

As acknowledged in a very recently decided case, the Court of Appeals for the Federal Circuit has not "had the occasion to address whether the pleading of equitable estoppel and laches defenses constitutes an implicit waiver of attorney-client privilege." *Chamberlain Group v. Interlogix, Inc.*, 2002 U.S. Dist. Lexis 5468 (N.D. Ill., March 26, 2002).[3] The *Chamberlain* court dealt with a patent infringement case with facts very similar to those at hand. The court adopted the third, more narrowly constructed, implicit waiver rule described above. Specifically, the court held that "advice of counsel is not 'in issue' because

[3] The Board generally looks to the Federal Circuit for guidance as it is the Board's primary reviewing court.

it is relevant," citing *Rhone-Poulenc, id.*. The Court further held that the defendant therein did not "assert advice of counsel as a defense, and it has not used attorney-client communications to prove a claim or defense. Consequently, [defendant] has not waived the attorney-client privilege, and its attorney opinions on [plaintiff's] patents are not discoverable." *Id.* at p. 12.

We have reviewed and considered the possible approaches to determining if defendant's pleading of laches, acquiescence and estoppel constitute any implicit waiver of the attorney-client privilege. We find the reasoning of the courts in *Rhone-Poulenc* and *Chamberlain* persuasive and, as described further below, we herein adopt the same approach.

In *Rhone-Poulenc*, the court held that "the advice of counsel is placed in issue where the client asserts a claim or defense, and attempts to prove that claim or defense by disclosing or describing an attorney-client communication." *Id.* at 864. Or, as the *Chamberlain* court succinctly put it, "the mere assertion of equitable estoppel and laches defenses is insufficient to waive the attorney-client privilege." *Id.* at 15. Furthermore, the *Chamberlain* court stated that the narrow construction of the implicit waiver "comports with the basic principles of the attorney client privilege. When the privilege is waived, it is often because confidential communications are the only source of

evidence on the disputed issue." *Id.* citing *Pippenger v. Gruppe,* 883 F. Supp. 1201, 1204 (S.D. Ind. 1994).

In considering the three affirmative defenses pleaded by defendant, the Board notes that the acquiescence and laches defenses do not even contain an element relating to defendant's conduct but are directed solely to action or inaction of plaintiff.[4] It is not possible therefore to construe the mere pleading of these defenses as placing at issue defendant's conduct or state of mind, namely, its reasons for adopting and using its trademark under the *Rhone-Poulenc* approach or, even under the second, more liberal standard for "at issue" waiver, as enunciated by the court in *Hearn v. Rhay,* 68 F.R.D. 574, 581 (E.D. Wash. 1975). Under either standard, the defendant has not waived the attorney-client privilege merely by pleading laches and acquiescence.

We now look at the third defense of equitable estoppel. The elements required to establish equitable

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[4] The elements of acquiescence are: (1) an active representation that a right or claim would not be asserted; (2) the delay between the active representation and assertion of the right or claim was not excusable; and (3) the delay caused the undue prejudice. *Hitachi Metals International, Ltd. v. Yamakyu Chain Kabushiki Kaisha,* 209 USPQ 1057 (TTAB 1981).
As set forth in *Lincoln Logs Ltd. v. Lincoln Pre-Cut Log Homes Inc.,* 971 F.2d 732, 23 USPQ2d 1701 (Fed. Cir. 1992), the elements of laches are (1) unreasonable delay in assertion of one's rights against another; and (2) material prejudice to the other attributable to this delay.

estoppel are: (1) misleading conduct which leads another to reasonably infer that rights will not be asserted against it; (2) reliance upon this conduct; and (3) due to this reliance, material prejudice if the delayed assertion of such rights is permitted. *Lincoln Logs Ltd. v. Lincoln Pre-Cut Log Homes Inc.*, 971 F.2d 732, 23 USPQ2d 1701 (Fed. Cir. 1992) citing *A.C. Aukerman Co. v. R.L. Chaides Construction Co.*, 960 F.2d 1020, 22 USPQ2d 1321 (Fed. Cir. 1992).

As stated above, defendant has not attempted to rely on advice from counsel or any privileged communications with counsel to prove the affirmative defense of equitable estoppel. In accordance with *Rhone-Poulenc* and *Chamberlain*, we therefore find that there is no implicit waiver as a result of defendant's merely pleading this defense.

While laches and acquiescence do not contain an element involving defendant's conduct, the Board notes that estoppel requires a showing of defendant's reliance upon plaintiff's conduct. Also, as an affirmative defense, estoppel is potentially dispositive of this case. Plaintiff argues that, in view thereof, the only possible recourse for rebutting defendant's assertion of detrimental reliance is to show that defendant did not rely on plaintiff's action or inaction but instead relied on the

advice of counsel. We disagree. As the *Chamberlain* court aptly pointed out, a party may "dispute equitable estoppel by contesting the remaining... prongs of the affirmative defense. [Citing *Pippenger v. Gruppe,* 883 F. Supp. 1201, 1204 (S.D. Ind. 1994)]. (attorney-client communications are not the only source of relevant information; plaintiff could question defendant on the extent of its reliance on plaintiff's conduct)."

In view thereof, plaintiff's motion to compel is hereby denied to the extent that plaintiff seeks privileged communications regarding defendant's decision to adopt and use the TREASURE ISLAND mark. Specifically, the attorney-client privilege has not been waived with regard to the communications identified in plaintiff's motion to compel (Treasure Island's Corp.'s Privilege Log item nos. 5, 31, 34-37, 53, and 130-137).

Defendant, However, Required to Produce Copy of October 21, 1991, Thomson & Thomson Search Report

Defendant has stated (footnote 6 on page 17 of its "opposition to opposer's motion to compel") that its failure to produce an October 21, 1991 Thomson & Thomson trademark search report is not based on attorney-client privilege or work product doctrine but rather because it "cannot be located despite diligent efforts." Defendant further stated that it was in the process of contacting Thomson & Thomson to obtain a copy of the search report and, if successful,

would produce a copy for plaintiff. It is well-established that search reports are discoverable, but the comments or opinions of attorneys relating thereto are privileged and not discoverable (unless the privilege is waived, e.g., as discussed above). See *Fisons Ltd. v. Capability Brown Ltd.*, 209 USPQ 167 (TTAB 1980); *Goodyear Tire & Rubber Co. v. Tyrco Industries*, 186 USPQ 207 (TTAB 1975); Miles *Laboratories, Inc. v. Instrumentation Laboratory, Inc.*, 185 USPQ 432 (TTAB 1975); and *Amerace Corp. v. USM Corp.*, 183 USPQ 506 (TTAB 1974).

We trust that defendant by this time has located the subject search report or obtained a copy from Thomson & Thomson. **Defendant is hereby ordered to serve a copy of said report to plaintiff within twenty (20) days from the dated stamped on this order.** If defendant has failed to locate or obtain a copy of the search report, defendant should file with the Board a detailed report (within the same 20 day time period) specifying all efforts to find the report, including a listing of files searched, personnel conducting the search(es), and dates/hours spent searching for the report, as well as a report on the effort to obtain a copy from Thomson & Thomson.

Defendant's Motion to Compel Discovery

We now turn to defendant's motion (filed April 25, 2001, in Cancellation No. 28,126) to compel discovery in

that case. Defendant is moving to compel production of copies, without redactions, of all correspondence "from or to Merchant & Gould (plaintiff's former counsel) regarding the TREASURE ISLAND mark." Defendant asserts that plaintiff has waived any attorney-client privilege to these documents as a result of its voluntarily producing (in response to defendant's discovery requests) two letters (dated April 15, 1992, and April 22, 1992), with redactions, from Merchant & Gould to plaintiff's former general manager regarding the TREASURE ISLAND mark.[5]

Plaintiff acknowledges that it voluntarily produced the two letters, with redactions, but argues that it waived the attorney-client privilege only as to "the subject matter of the disclosed communications - the registrability of Plaintiff's mark in 1992." Likewise, plaintiff argues that the redacted portions of the two letters and other documents sought by defendant are protected by the attorney-client privilege. Thus, the issue before the Board now is not whether plaintiff waived its attorney-client privilege, which has been conceded, but the scope of the waiver.

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[5] The Board notes that only the holder of the attorney-client privilege (the client) may waive the attorney-client privilege. McCormick On Evidence, § 93, at 341 (John William Strong, ed., West Publishing) (1992). However, the privilege is waived if the privilege holder/client voluntarily discloses or consents to disclosure of any privileged communications. See, e.g., *In re von Bulow*, 828 F.2d 94, 101 (2d Cir. 1987). In this case, the client (Prairie Island) waived its privilege by consenting to the production of the two letters and by discussing them during the contemporaneous discovery deposition.

The voluntary waiver by a party, without limitation, of one or more privileged documents discussing a certain subject waives the privilege as to all communications between the same attorney and the same client on the same subject. The authorities for this general rule are numerous. See e.g., *Weil v. Investment/Indicators, Research & Management*, 647 F.2d 18, 24 (9th Cir. 1981) and, in general, 4 Moore's Federal Practice ¶26.60[2], page 26-201-202 (1989).

Plaintiff has submitted the two aforementioned redacted letters, without redactions, and six other letters for *in camera* inspection. Plaintiff argues that the six additional letters are protected by the attorney-client privilege.[6] In order to determine the scope of the waiver of the attorney-client privilege, the Board has reviewed the two letters voluntarily disclosed by plaintiff (through its former counsel). These letters, and the others produced in briefing the motion to compel, are discussed separately below.

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[6] In plaintiff's response to the motion to compel, it states that it is submitting for *in camera* inspection seven additional letters which it believes are protected by the attorney-client privilege. However, the Board received copies of only *six* additional letters. It appears from page 3 of plaintiff's response that communications numbered "4" and "7" are the same document.

(1) April 15, 1992 Letter From Merchant & Gould to Mr. Ronald Valentine [Exhibit A-1 of Plaintiff's Response]

As stated in the first paragraph (unredacted) of this letter, one subject discussed in the letter involves plaintiff's former counsel's providing its "review of the trademark availability search results." Plaintiff voluntarily produced unredacted portions of this letter which discussed certain marks, e.g., the "Netherlands Antilles mark", but redacted portions of the letter which discussed other marks. Inasmuch as the subject matter of the entire first two pages of the letter involves discussion of the trademark search results, plaintiff has waived any attorney-client privilege to the contents of the first two pages.

The first two paragraphs of page three of the letter contain plaintiff's counsel's discussion of matters unrelated to the trademark search results, and thus do not fall within the scope of the waived subject matter. It is noted that plaintiff did not redact the last paragraph of the third page.

(2) April 22, 1992 Letter From Merchant & Gould to Mr. Ronald Valentine [Exhibit A-2 of Plaintiff's Response]

The unredacted portions of this letter (first two sentences of first paragraph on page one and the last paragraph on page two) contain information in the following

subject areas: plaintiff's counsel's request for plaintiff's dates of first use; plaintiff's intention to initiate an advertising campaign; and plaintiff's intention of filing for "state service mark registrations." Thus plaintiff has voluntarily waived any attorney-client privilege that may have otherwise protected communications and/or documents discussing these subjects.

Inasmuch as the last sentence of the first paragraph on page one contains information regarding plaintiff's expenses involved with filing for state registrations, it is a distinct subject and has no possible relevance to any substantive issue.

However, the second paragraph on page one involves issues, i.e., the federal registration search and possible conflicts, which fall within the scope of subject areas for which plaintiff has waived its attorney-client privilege. The Board thus finds that plaintiff has also waived any attorney-client privilege that may have protected this paragraph.

Consequently, to the extent that defendant's motion to compel seeks production of this document, it is hereby granted in part and denied in part; specifically, plaintiff is hereby ordered to produce another copy of this letter which does not redact the second paragraph on page one.

Plaintiff may continue to redact the last sentence of the first paragraph on page one.

(3) April 22, 1992 Letter From Merchant & Gould to Foote Marketing Group [Exhibit A-3 of Plaintiff's Response]

Inasmuch as this letter involves issues that fall within the scope of subject areas for which plaintiff has waived its attorney-client privilege, the Board finds that plaintiff has waived any attorney-client privilege that may have protected this letter. Consequently, to the extent that defendant's motion to compel seeks production of this document, it is hereby granted and plaintiff is ordered to produce an unredacted copy of this letter to defendant for copying and/or inspection.

(4) May 13, 1992 Letter From Merchant & Gould to Foote Marketing Group [Exhibit A-4 of Plaintiff's Response]

Inasmuch as this letter involves issues that fall within the scope of subject areas as to which plaintiff has waived its attorney-client privilege, the Board finds that plaintiff has waived any attorney-client privilege that may have protected this letter. Consequently, to the extent that defendant's motion to compel seeks production of this document, it is hereby granted and plaintiff is ordered to produce an unredacted copy of this letter to defendant for copying and/or inspection.

(5) March 5, 1992 Letter From Merchant & Gould to Plaintiff [Exhibit A-5 of Plaintiff's Response]

Inasmuch as this letter does not involves issues that fall within the scope of subject areas as to which plaintiff has waived its attorney-client privilege, the Board finds that plaintiff has not waived its attorney-client privilege in relation to this letter. Consequently, to the extent that defendant's motion to compel seeks production of this document, it is hereby denied.

(6) March 5, 1992 Letter From William Hardacker to Merchant & Gould [Exhibit A-6 of Plaintiff's Response]

Inasmuch as this letter does not involves issue(s) that fall within the scope of subject areas as to which plaintiff has waived its attorney-client privilege, the Board finds that plaintiff has not waived its attorney-client privilege in relation to this letter. Consequently, to the extent that defendant's motion to compel seeks production of this document, it is hereby denied.

(7) November 21, 1996 Letter From Merchant & Gould to Plaintiff [Exhibit A-7 of Plaintiff's Response]

Inasmuch as this letter involves issues that fall within the scope of subject areas as to which plaintiff has waived its attorney-client privilege, the Board finds that plaintiff has waived any attorney-client privilege that may have protected this letter. Consequently, to the extent that defendant's motion to compel seeks production of this document, it is hereby granted and plaintiff is ordered to

produce an unredacted copy of this letter to defendant for copying and/or inspection.

(8) September 13, 1996 Letter From Merchant & Gould to Plaintiff [Exhibit A-8 of Plaintiff's Response]

Inasmuch as this letter involves issues that fall within the scope of subject areas as to which plaintiff has waived its attorney-client privilege, the Board finds that plaintiff has waived any attorney-client privilege that may have protected this letter. Consequently, to the extent that defendant's motion to compel seeks production of this document, it is hereby granted and plaintiff is ordered to produce an unredacted copy of this letter to defendant for copying and/or inspection.

Defendant's Motion For Discovery Sanctions

Defendant filed (on October 2, 2001) a motion for discovery sanctions based on plaintiff's "violations of the Board's April 17, 2001 order compelling plaintiff to serve amended discovery responses and produce documents." Defendant requests the Board to impose sanctions "deeming established [defendant's] *prima facie* showing of its defenses based on laches, estoppel and waiver."

Inasmuch as the Board's order did not specify a deadline for compliance with the order, defendant's motion is hereby denied.[7] However, to the extent that plaintiff

[7] Despite the neglect of the Board in not setting a deadline for compliance with the April 17, 2001 order, for which reason

has not complied with the April 17, 2001, order, it is hereby ordered to comply within thirty (30) days from the mailing date stamped on this order.

Summary

In summary, (1) defendant's motion (filed April 25, 2001, in Cancellation No. 28,126) to compel discovery is granted in part and denied in part (as explained herein); (2) plaintiff's motion (filed July 10, 2001, in Opposition No. 115,866) to consolidate the above-referenced opposition and cancellation proceedings is granted; (3) plaintiff's motion (filed July 11, 2001, in Opposition No. 115,866) to compel discovery is denied to the extent that the attorney-client privilege has not been waived by defendant with regard to the communications identified in plaintiff's motion to compel; however, plaintiff's motion to compel is granted to the extent that defendant is hereby ordered to produce the search report for inspection and/or copying by plaintiff within thirty (30) days from the date stamped on this order; and (4) defendant's motion (filed October 2, 2001) for discovery sanctions is denied.

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sanctions are not being entered, the Board is not impressed with plaintiff's reasons for failing to comply in a timely manner. Certainly plaintiff should have attempted to comply with the order as if the relevant discovery requests were being served on that date, i.e., plaintiff should have responded within thirty days from the date of the order.

Proceedings Resumed

Proceedings herein are resumed and trial dates, including the close of discovery (only for the cancellation proceedings), are reset as follows:

THE PERIOD FOR DISCOVERY IN OPPOSITION NO. 115,866 TO CLOSE:	CLOSED
THE PERIOD FOR DISCOVERY IN CANCELLATION NOS. 28,126; 28,127; 28,130; 28,133; 28,145; 28,155; 28,171; 28,174; 28,199; 28,248; 28,280; 28,294; 28,314; 28,319; 28,325; 28,342 and 28,379 TO CLOSE:	June 11, 2002
30-day testimony period for party in position of plaintiff to close:	September 9, 2002
30-day testimony period for party in position of defendant to close:	November 23, 2002
15-day rebuttal testimony period for plaintiff to close:	December 23, 2002

In each instance, a copy of the transcript of testimony together with copies of documentary exhibits, must be served on the adverse party within thirty days after completion of the taking of testimony. Trademark Rule 2.125.

Briefs shall be filed in accordance with Trademark Rule 2.128(a) and (b).

An oral hearing will be set only upon request filed as provided by Trademark Rule 2.129.